GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:4048
ANSWERED ON:19.04.2000
LOAN TO SSI WITHOUT SURETY
RAMPAL SINGH

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the government propose to advance loan up to five lakh rupees to the Small Scale Industries without any surety;

(b) if so, the details thereof; and

(c) the time by which the final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a), (b) & (c): In pursuance to the announcement made by the Finance Minister in his Budget Speech for the year 2000-2001, the Reserve Bank of India (RBI) has advised all Scheduled Commercial Banks vide its circular dated 3rd March, 2000 that the exemption limits of borrowal accounts for obtention of Collateral Security for Tiny Sector (i.e. Small Scale Industries where the investment in plant and machinery does not exceed Rs. 25 lakhs) has been raised from Rs. 1 lakh to Rs. 5 lakh with immediate effect.